

# **Forward Pricing - Task 2.1.1.**

## **Status**

- 11 July Update: Info Memo 00-268, training matrix for FPRAs and presentation on monitoring FPRAs
- 15 June Update: Two NASA Locations added to segment count.
- 28 March Update: Info Memo 00-177, ARZ Mod processed to eliminate Plant-Wide Data Report
- 2 February Update: Policy Change Notice 00-108, keeping program managers and PCOs aware of rate changes and related program impacts
- 7 January Update: Modified FPRA/RR count report to screen by District

# Forward Pricing - Task 2.1.1.

**Target:** Ensure 100% forward pricing rate coverage at contractor locations with ACAT I or II programs where annual Government sales are  $\geq$  \$200 million, with a minimum of 80% covered by FPRAs.

FPRAs must include: Direct labor; Overhead and G&A.

**Current Status:** Red

**Description of Progress:** Below the FPRAs goal of 80%. The trend for FPRAs coverage near 68%. FPRAs/RR Coverage 100%

**Anticipated Challenges:**

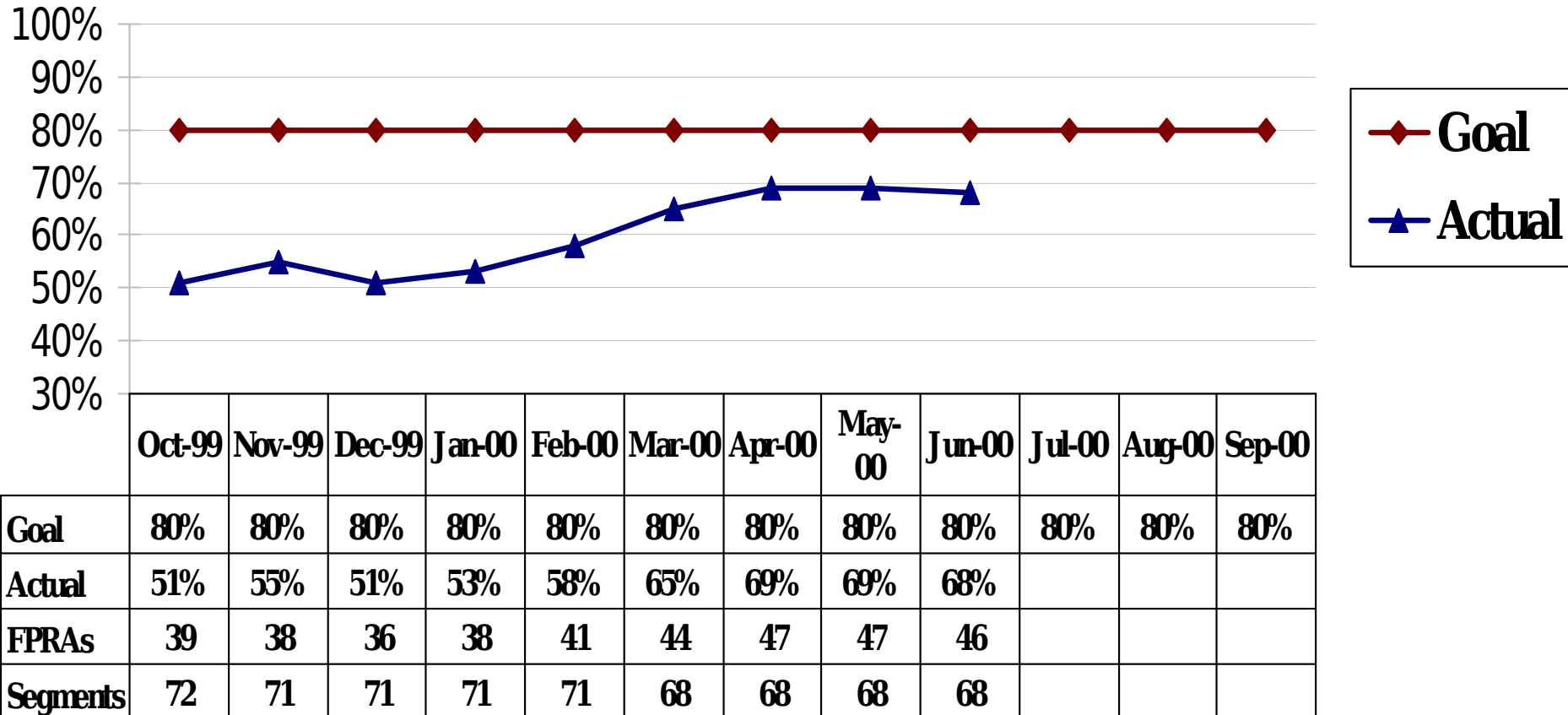
- Not always possible to establish FPRAs due to volatility in the defense industry
- Accurate FPRAs to ACOs and customers.

**Prediction of EOY Status:** Red/Near 68 percent FPRAs coverage.

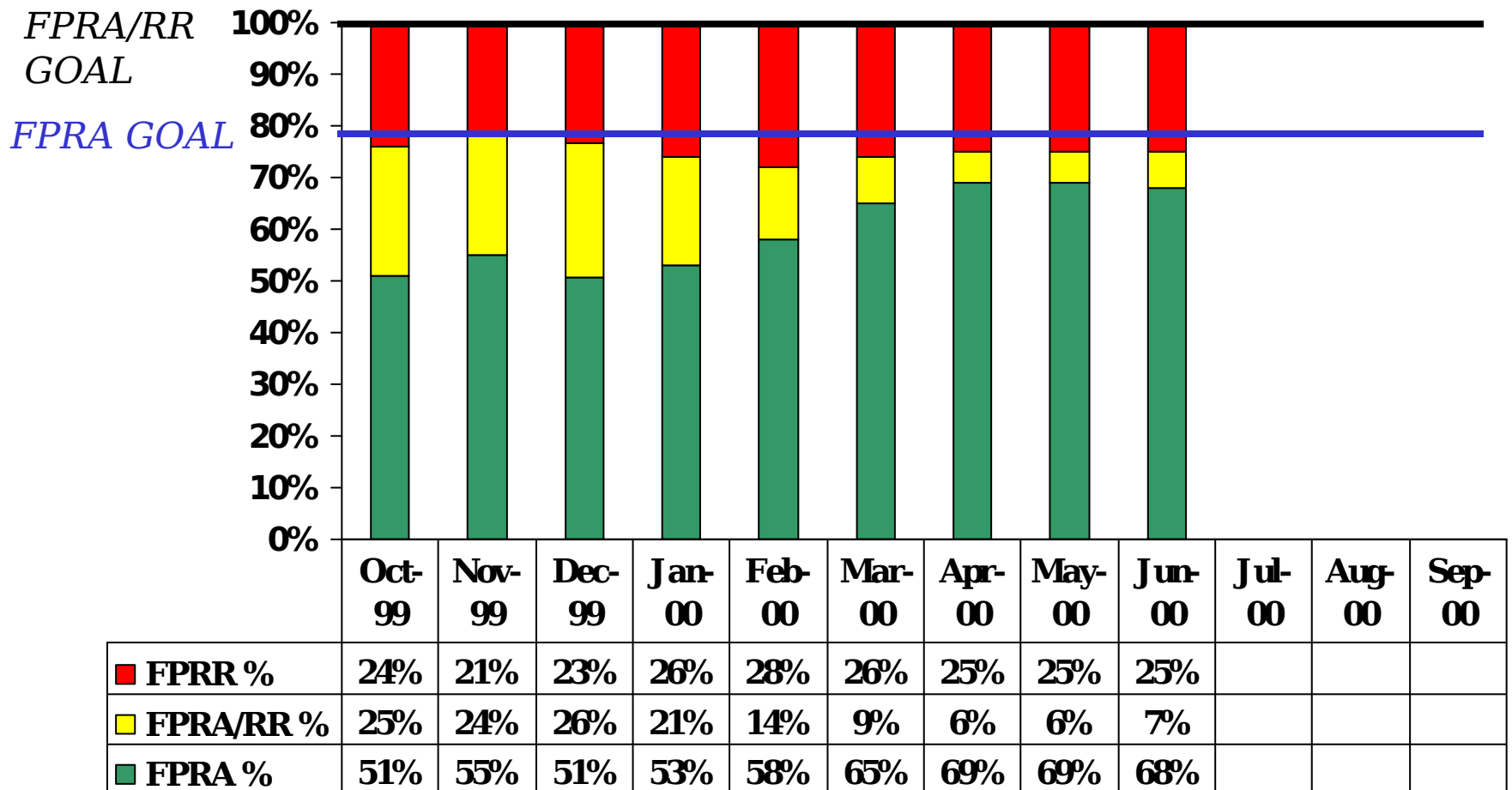
# Right Price

## Task 2.1.1 - % of Contractor Segments with FPRAs

NPRA of Segments **Red** PRAs = 46 / Total Base No. of Segments = 68



# TASK 2.1.1. - Forward Pricing Goals & Performance



100 Percent FPRA/FPRR Coverage

# PACING CMOs

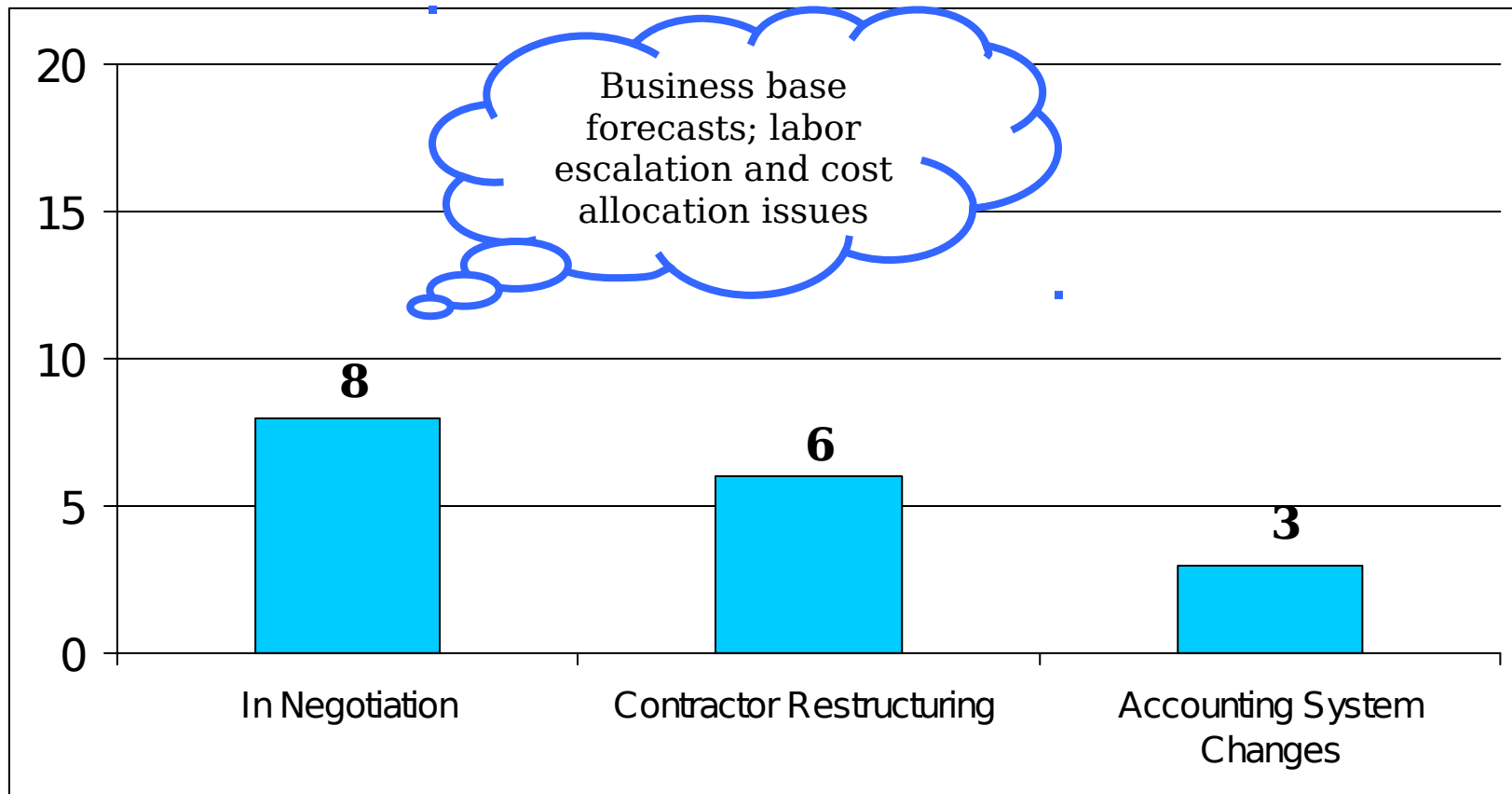
## 17 of 68 Segments (25%) have FPRRs

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DCM Bell Helicopter	DCM Wichita (Raytheon)
DCM Birmingham (Boeing)	DCM Raytheon Mass -2
DCM Boeing Huntington	DCM Raytheon Tucson
DCM Boeing Long Beach	DCM San Francisco(Aero)
DCM Boeing St. Louis	DCM Santa Ana (Boeing)
DCM Indianapolis (Raytheon)	DCM San Antonio (LM)
DCM LM Orlando	DCM Thiokol
DCM Philadelphia (UDLP)	DCM Twin Cities (UDLP)

# ROOT CAUSE ANALYSIS

**17 FPRRs**



# **Performance Goal 2.1.1 - Forward Pricing**

## **Corrective Action**

- Continue to review individual CMO performance and corrective actions through monthly reporting using DIRAMS
- DCMA-OCB to support pacing CMOs in obtaining FPRAs
- Disseminate best practices in support of Forward Pricing